

## General Terms and Conditions of Procurement for services in favour of RUAG companies with their place of business in Austria (GTC Services)

### 1. Scope and validity

- 1.1 These General Terms and Conditions of Procurement for items procured under a contract for services or otherwise procured by RUAG companies with their place of business in Austria (hereinafter referred to as 'GTC Services') govern the conclusion, content and management of contractual relationships, and the procurement of services by RUAG.
- 1.2 All legal transactions between RUAG, in its capacity as the client, and you, in your capacity as the appointee – such as offers, order confirmations, service contracts, etc. – are subject to these 'GTC Services' in the version applicable at the time when the contract is concluded.
- 1.3 Any general terms and conditions of the appointee are either waived or shall apply only if expressly accepted in writing by RUAG. Any differing or conflicting terms and conditions of the appointee that have not been expressly acknowledged by RUAG in writing shall not apply even if RUAG has not expressly rejected them in individual cases or if it has accepted or paid for the service without reservation.
- 1.4 These GTC Services also apply to all future transactions with the appointee.
- 1.5 Any amendments to the contract and these 'GTC Services' require the written form, as does any departure from this requirement of form. There are no verbal side agreements.

### 2. Offer and order

- 2.1 The appointee's offer is submitted free of charge and is binding on the appointee, unless otherwise noted in the request for proposal or in the offer and confirmed by RUAG in writing.
- 2.2 The offer remains binding throughout the period specified in the request for proposal or offer. If the relevant details are missing, the appointee remains bound for a period of eight weeks from the date of the offer.
- 2.3 If the offer deviates from the request for proposal, the appointee must expressly draw attention to this. RUAG shall only be bound by the amended offer if RUAG has consented to the deviation in writing.
- 2.4 The order is placed either by RUAG issuing a purchase order on the basis of a binding offer from the appointee, or by RUAG issuing a purchase order and the appointee accepting the purchase order. Purchase orders are only binding if issued by RUAG in writing. Electronic purchase orders are binding insofar as there is a written agreement between the parties to this effect.

### 3. Execution

- 3.1 The appointee must adhere precisely to the order set out in the offer or purchase order and, in the event of subsequent changes being made in advance, must obtain written confirmation from RUAG with express reference to the specific order. The appointee is required to provide RUAG with regular progress reports concerning the work; to this end, the appointee shall gather all the necessary inputs under its own responsibility. Any final report is to be submitted within two weeks following completion of the order. The appointee shall notify RUAG immediately of all circumstances that could jeopardise proper contractual fulfilment.
- 3.2 The appointee acts in its own name and for its own account, as well as under its own responsibility. No employment relationship with RUAG is established by virtue of an order being placed.
- 3.3 If physical access to a RUAG location is required for the purpose of performance, the appointee shall adhere to RUAG's company rules, particularly the safety regulations and site rules, with which it will be provided on request.

### 4. Enlisting of third parties

- 4.1 The appointee may only enlist subcontractors to render services to RUAG on its behalf – in full or in part – with the prior written approval of RUAG.
- 4.2 RUAG is entitled to require the appointee to enlist a specific third party. In this case, RUAG shall bear the consequences of the third party's defective

services, provided that the appointee proves that it hired the subcontractor correctly and monitored them properly.

- 4.3 The commissioned third party shall remain responsible to RUAG for the rendering of the services.

### 5. Remuneration and expenses

- 5.1 Where agreed, RUAG undertakes to pay remuneration. In this case, the appointee renders the services at fixed prices or on a time and material basis subject to an upper remuneration limit (cost ceiling). It shall give notice of the cost types, quantity structure and cost rates in its offer.
- 5.2 The remuneration covers all services agreed in the contract and required to fulfil the contract. The remuneration covers, in particular, expenses (accommodation, travel and transport costs, etc.), licence fees, as well as taxes and duties without any deductions.
- 5.3 As a basic principle, the remuneration is to be paid on completion of the order.

### 6. Payment terms

- 6.1 Unless otherwise agreed, the payments become due once the service has been rendered. RUAG shall settle invoices that are issued according to due date within 60 calendar days of invoice receipt.
- 6.2 RUAG reserves the right to return erroneous, unverifiable invoices for correction. The payment period starts running again when the corrected invoice is issued.
- 6.3 Where partial payments (prepayments and down payments, interim billing payments or payments on account) are agreed, RUAG is entitled to request security from the appointee at the appointee's expense.
- 6.4 In each case, the appointee is required to issue an invoice granting entitlement to deduct input tax and containing all the legally required attributes.
- 6.5 In the event of defective fulfilment of the order, RUAG shall be entitled to withhold payments to an appropriate extent.

### 7. Delivery times and default

- 7.1 In the event of a failure to meet the deadlines triggering default (contract where time is of the essence), the appointee shall be deemed in default automatically; in other cases, the appointee shall be deemed in default following a reminder by RUAG and the granting of a reasonable period of grace.
- 7.2 No partial or advance deliveries may be made without RUAG's written consent.
- 7.3 RUAG must be notified in writing without delay of any impending default by the appointee.
- 7.4 **If the appointee enters into default, it shall owe a payment for each day of delay equal to 1% of the total remuneration, but subject to a total maximum of 10% of the total remuneration. This shall still be owed even if the services are accepted without reservation. This payment does not release the appointee from the other contractual obligations; it shall, however, be set off against the payable damages. Fault on the part of RUAG itself and force majeure are excepted.**

### 8. Place of performance

- 8.1 Unless otherwise agreed, the place of performance is the premises of RUAG.
- 8.2 RUAG is entitled to stipulate the time and place of order fulfilment, and to change them at any time by giving written notice of at least 14 calendar days prior to the agreed service date. The same applies as regards changes to the scope of the order, insofar as these can be implemented as part of

the appointee's usual range of services without substantial additional effort. Where such changes result in delays or additional costs, the appointee must make a careful estimate of the additional costs or delivery delays that it anticipates and give written notice of these in good time prior to the service date, but certainly within at least three working days of receiving the change to the scope of the order.

## 9. Termination and revocation

- 9.1 Both parties are entitled to effect ordinary termination of the contract in writing at any time by giving 2 weeks' notice to the last day of the month. This does not affect the right to terminate the contract with immediate effect for cause.
- 9.2 In the event of the contract being dissolved in accordance with Subclause 9.1 above, the appointee shall be entitled to remuneration in respect of the services already rendered.
- 9.3 In the event of ordinary termination at an inopportune time, the right to claim damages is reserved.

## 10. Instructions and cooperation

- 10.1 RUAG has the right to issue binding instructions. Once issued, binding instructions can be modified or revoked. Electronically issued binding instructions have the same status as written binding instructions, unless they represent an amendment to the contract. Mere suggestions and proposals by RUAG do not constitute binding instructions and are irrelevant as regards proper fulfilment of the contract.
- 10.2 RUAG shall provide the appointee in good time and in full with all the documentation, information, permits, physical and digital access rights, etc. that it needs for the purpose of rendering its services.

## 11. Emerging intellectual property rights

- 11.1 The works and intellectual property rights (copyrights, patent rights, etc.) that are created by the appointee or its employees, or by commissioned third parties, in the course of fulfilling the contract, particularly those pertaining to documents, concepts and individual software – including source code, program description and documentation in written or machine-readable format – produced specifically for RUAG, belong to RUAG, unless otherwise contractually agreed.
- 11.2 Intellectual property rights (copyrights, patent rights, etc.) that are generated in the course of fulfilling the contract but are not part of the subject matter of the contract belong to
- RUAG if they have been created by persons clearly associated with RUAG in the form of employees, hired workers, third-party contractors or other business partners;
  - the appointee if they have been created by its personnel or third parties that it has engaged;
  - RUAG and the appointee, if they have been jointly created by RUAG's and the appointee's personnel or by third parties that they have engaged. The parties mutually agree not to charge licence fees and are entitled to grant their rights to third parties or to grant rights of use to third parties without the consent of the other party.
- 11.3 Both parties shall retain rights of use and disposal over any ideas, processes and methods not protected by law, but without any obligation of disclosure.

## 12. Pre-existing intellectual property rights

- 12.1 Pre-existing intellectual property rights (copyrights, patent rights, etc.) remain with the appointee or third party. Where the rights belong to third parties, the appointee guarantees that it possesses the relevant rights of use, disposal and distribution. The appointee warrants that RUAG's use or resale of the service rendered by the appointee does not infringe upon any property rights of third parties in countries of the European Union, the USA or other countries where it manufactures the products or has the products manufactured.
- 12.2 In respect of pre-existing intellectual property rights, RUAG is granted a non-exclusive, transferable right of use unrestricted in time, space and substance within the scope of the purpose of the contract. The appointee

undertakes not to establish any rights to these pre-existing intellectual property rights that could be used to counter the usage and disposal possibilities envisaged with regard to the subject matter of the contract.

- 12.3 In the case of standard software, this right includes the use of the hardware and its successor systems as foreseen in the contractual document. In the event of a change in the operating system or a higher performance class, the change to and extension of the right of use require the approval of the appointee. The appointee may only refuse approval on important grounds. The changes to and extensions of the rights of use shall be billed on the basis of the estimates in the original cost basis.
- 12.4 RUAG is entitled to make copies of the standard software for backup and archiving purposes.
- 12.5 Both parties shall retain rights of use and disposal over any ideas, processes and methods not covered by legal protection, but without any obligation of disclosure.
- 12.6 RUAG shall retain ownership of and/or the copyright to any documentation, drawings, illustrations, calculations, descriptions and other documents (hereinafter referred to as 'resources') that the appointee receives for the purpose of submitting an offer or executing an order from RUAG when the order is being placed or in the course of the ordering process, as well as during execution of the order. The appointee is not permitted to make them accessible to third parties, or to use or duplicate them itself or via third parties, without the prior express written consent of RUAG. Unless otherwise agreed, the resources must be sent back to RUAG unprompted at the end of the order and any copies must be destroyed. The appointee is liable for the loss or misuse of the aforementioned resources.

## 13. Infringement of intellectual property rights

- 13.1 The appointee shall contest claims by third parties due to the infringement of intellectual property rights without delay, and at its own expense and risk. If a third party initiates legal proceedings against the appointee, the appointee must inform RUAG of this in writing without delay. If the third party asserts the claims directly against RUAG, the appointee shall participate in the dispute at RUAG's first request in accordance with what is possible under the relevant legal rules of procedure. The appointee undertakes to pay all costs (including the payment of damages) that RUAG incurs as a result of the case and any out-of-court settlement of the legal dispute. RUAG is entitled to claim these costs regardless of any fault on the part of the appointee. The right to assert further legal claims due to defects of title in the service rendered to RUAG remains unaffected. In the event of an out-of-court settlement, the appointee is only required to pay the agreed payment to the third party if it has consented to the payment in advance.
- 13.2 If RUAG is prevented from using the contractually owed services, in whole or in part, due to claims asserted on the basis of intellectual property rights, the appointee has the choice either to modify its services in such a way that they no longer infringe any third-party rights but still conform to the contractually owed service scope or, at its own expense, to obtain a licence from the third party.
- 13.3 If the appointee fails to implement either of these options within a reasonable period or if it breaches one of the obligations specified in Article 12, RUAG shall be entitled to terminate the contractual relationship prematurely with immediate effect and to assert other legal claims, particularly injunctive relief and/or damages.

## 14. Confidentiality

- 14.1 The parties shall treat as confidential all information that is neither common knowledge nor in the public domain and use it exclusively to fulfil the purpose of the concluded contract. The parties shall also ensure that it is treated confidentially by their employees and any enlisted specialists. In cases of doubt, the information is to be treated as confidential.
- 14.2 A party's confidential information does not include information that:
- was already known to the other party before it was granted access thereto by the disclosing party;
  - was in or enters the public domain without this being attributable to the other party;

- was lawfully divulged to the other party by a third party and without any restrictions on its disclosure;
- was developed by the other party itself without using or referring to the confidential information of the protected party;
- must be disclosed to a regulatory, administrative or other authority because of a legally binding court order. In this case, the party required to disclose the information must inform the other party of the court order without delay and must support any protection orders sought by the other party.

In addition, the appointee undertakes to keep secret from third parties the entire content of the order placed by RUAG, as well as all information and circumstances to which it has become privy in connection with fulfilment of the order, including – in particular – data from RUAG's business partners.

14.3 This confidentiality obligation takes effect even before conclusion of the contract and applies for a period of three years following the end of the contractual relationship.

14.4 The forwarding of information to third parties is not permitted without the consent of the other party. RUAG Group companies are, on the other hand, not to be classed as third parties within the meaning of this agreement, in particular RUAG International Holding Ltd and its subsidiaries, and any enlisted specialists (lawyers, auditors, experts). In the event of consent being granted, the confidentiality obligations are to be imposed on the third party receiving the information.

14.5 Advertising and publications relating to specific services connected with the contractual relationship require the written consent of the other party. Without written permission from RUAG, the appointee may not advertise the fact that a collaboration with the appointee exists or existed, and may not mention RUAG as a reference.

**14.6 If one of the parties violates the above confidentiality obligations it shall, unless otherwise agreed, owe the other party a payment, except where it proves that it is not at fault. The amount of this payment per violation shall be 10% of the total remuneration or, in the case of recurring remuneration, 10% of the annual remuneration, but subject to a total maximum of EUR 50 000.00 per case. This payment does not release the violating party from the confidentiality obligation; it shall, however, be set off against the payable damages. This is without prejudice to any consequences under criminal law.**

## 15. Data protection

15.1 In connection with the contract that is subject to these GTC Services, each party may gain access to personal data (e.g. name, roles, business units, contract details and communication details) of employees, representatives, consultants, agents, contractors and other personnel ('personal data') employed by the other party. Unless otherwise expressly agreed, the parties agree to act as independent controllers within the meaning of the Austrian Data Protection Act in relation to said personal data in each case. Personal data is only to be processed within the scope of the applicable act, with application of appropriate protection measures (e.g. technical and organisational measures, data security measures, and so on) and only for the purpose of concluding and performing the contract, particularly purchase orders, payment processing, customs duties, taxes, import/export management, customer relationship management, operational accounting and general administrative purposes. Each party shall inform its own personnel that personal data is being processed by the other party in accordance with the applicable legislation. Further explanatory information about data processing at RUAG can be found in the relevant RUAG data privacy statements (see [www.ruag.com/en/privacy](http://www.ruag.com/en/privacy)).

15.2 Where the appointee makes use of a third party to fulfil the order, said third party must fulfil the data protection obligations (conclusion of a data processing contract, obtaining of necessary consents).

## 16. Compliance

16.1 The appointee shall comply with applicable legal standards, particularly with the competition and antitrust laws, industrial safety and child protection regulations (e.g. in relation to conflict resources), the ban on

human trafficking and the Core Conventions of the International Labour Organisation, the regulations against forgery or for the protection of health and the environment (e.g. directives such as REACH and RoHS), as well as all applicable export control regulations. The appointee must comply with the current Code of Conduct for RUAG Business Partners, with which it will be provided on request.

16.2 The appointee undertakes not to accept any financial or other favours by virtue of which the person bestowing them expects or is rewarding an unfair advantage. Similarly, the appointee undertakes to comply with the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions of 17 December 1997 also in private business transactions.

16.3 The appointee shall contractually oblige its employees, subcontractors, sub-suppliers and other third parties engaged for the purpose of fulfilling the contract to comply with this Article.

**16.4 If the appointee violates the above compliance obligations, it shall owe a contractual penalty, unless it proves that it is not at fault. The amount of this penalty per violation shall be 10% of the total remuneration or, in the case of recurring remuneration, 10% of the annual remuneration, but subject to a total maximum of EUR 50 000.00. This payment does not release the appointee from its contractual obligations; it shall, however, be set off against the payable damages. This is without prejudice to any consequences under criminal law.**

## 17. Assignment and pledging

17.1 The contractual relationship or any rights and duties arising from it can only be transferred or assigned with the prior written consent of the other party. Irrespective of this, RUAG is entitled to assign rights and duties arising from the contract to another RUAG Group company at any time.

## 18. Applicable law and place of jurisdiction

18.1 In all other respects, the substantive law of Austria shall apply, excluding its conflict of law rules under private international law (United Nations Convention on Contracts for the International Sale of Goods)). The place of jurisdiction is the court in Vienna with subject-matter jurisdiction for the location of RUAG's headquarters.

18.2 The ordinary courts at the place of business of RUAG shall have exclusive jurisdiction over all disputes that arise from or in connection with the contractual relationship.